

Guinea corruption and diamonds video channel 4 News, 17 June 2013

Welcome back to a gorgeous summers evening on Lochern the border with the Irish Republic.

Now the last time the G8 came to Britain, Glen Eagles 8 years ago, the focus was on tackling world poverty but to what extent have those lofty aims been achieved. Despite sitting on reserves of bulk site, copper, gold and diamonds Guinea, one of the poorest countries in West Africa but its most lucrative asset of all maybe iron ore located beneath the Simandou mountain range where deposits are estimated to be worth up to 50 billion dollars. It is a resource that multi nationals are keen to exploit but allegations of murky deals have blighted business there. Guineas latest president was elected 3 years ago on mandate to tackle corruption. Our foreign affairs correspondent Jonathan Miller has been to Guinea to find out what if any difference he has made.

Something is rotten in the Republic of Guinea. A stench of corruption wafts across Conacree to subsume a nation whose people it seems last lives lottery, born on the wrong side of the tracks and crippled by poverty. Five times a day a train trundles past mocking the poor. Its wagons laden with valuable bulk site ore that makes aluminium. The trade is deemed better than aid in ending poverty but when big companies come here to exploit minerals what exactly is being exploited.

"It's as if a poor person was sitting on a heap of gold the paradox is that guinea could be very rich but in reality it is very poor. In fact it is the poorest country in west Africa and we could be the wealthiest."

There is trouble on the streets. Alfa conde came to power promising change but crossing town from the palace after meeting with president we walked straight into a riot. A protest against him by Conacree's angry young unemployed urban poor. Iron rich rocks rained down on paramilitary police. The already dank air now sodden with tear gas. Just five days earlier the security forces had shot dead at least 11 protestors.

In a resource rich country where people are dirt poor, poverty breeds protest and protest breeds violence. None of these people have yet felt the benefits of what lies under their feet. This country where people die young and live poor is blessed with bulk sites and diamonds, copper, uranium, nickel, gold. Then there's the jackpot. The rusty rocks are a bit of a give away. Iron ore is so pure that it barely needs processing and this is a mountain range full of it. What's in here is reckoned to be worth 40 maybe 50 billion US dollars. At least 30 times the annual budget of the republic of Guinea where for decades corrupt dictators have sold off concessions forThe Simandou range is remote in Guinea's forest in south eastern highlands there is no railway to bring in equipment or transport the ore hundreds of miles to the coast but what's in here could completely transform Guinea's fortunes.

"It's very rich up to 60% to 65% iron. That's what makes the Simandou mountain range so very very rich in iron."

It's a gift of nature but it is also the source of all our trouble. The mining sector is the backbone of the Guinean economy. It needs to be exploited as quickly as possible to create jobs and wealth. What's happened at Simandou though demonstrates the trade can cause trouble in corrupt corners of Africa. Mining multinationals are locked in high risk, high stake games that are broad out allegations of the lowest in corporate efforts.

The Anglo-Australian giant Rio Tinto was immersed in inquiring rights to Simandou in the late 1990s. Rio is now in lead with the Chinese state mining company and they plan to turn this into the biggest iron ore mine in Africa for the 400 mile railway to a new deep water port but then in 2008 Rio was suddenly stripped of half its concession by a former dictator and made allegations of corruption. Six months later Beny Steinmetz, a multi-billionaire diamond tycoon and Israel's richest man, was handed half the iron mountain by the dictator as he lay on his death bed. This is the public face of the Beny Steinmetz group of companies incorporated in the British tax haven of Guernsey and operating out of London. 18 months after acquiring the Simandou rights its mining arm sold half its stake to a Brazilian firm for 2.5 billion dollars. The people of Guinea mostly scraped by on a dollar a day got nothing and up in the iron mountain no ore had even been mined.

"I don't see how this deal is of any benefit to Guinea and I will cancel any contract that has been obtained through corruption."

In late 2010 Alfa Conde became Guinea's first ever democratically elected leader. He promised to end the blunder. Courted and advised by philanthropist billionaire George Soros and Tony Blair he's feted as a paragon of transparency in Africa. He made many enemies though and survived one assassination attempt. The Beny Steinmetz conglomerate is his bet noir.

"They took the mineral concessions but they did no mining this means that because Simandou is so rich they made money speculating on the markets using the Simandou name but nothing actually happened at Simandou. They were making huge profits while the concession was never exploited."

The president told me the first thing he did was to launch an investigation into past mining contracts from the start he said, Beny Steinmetz deal rang alarm bells. Guinea state tv filmed the opening of Beny Steinmetz Group operation in Guinea. Some of this party are today at the heart a major international investigation into claims of corruption by Beny Steinmetz and his group in Guinea. This is Frederick Seller, a former adviser to the group. He has been arrested in Florida in an FBI sting

and now faces charges of bribery and obstructing a federal grand jury investigation. He's with Mama Detura the late dictator's wife and on the left here, her brother Ibrahim who was made vice president of the Steinmetz Group of Guinea. She has admitted she was paid millions of dollars to secure the concession. In the US she has now turned state evidence that her brother Ibrahim is in jail in Conacree where I went to meet him to hear his side of the story. He has been in here for weeks but hasn't been charged. The Beny Steinmetz Group known as BSGR says that conglomerate is the victim of an international conspiracy and blackmail attempt on the basis of what it claims are fake documents that Mr Detura had been kidnapped they told us.

I have just spent two hours in the prison there with Mr Ibrahim Ature and he is a very angry man. He maintains that BSGR acquired its exploration and mining rights transparently and legally and he denies any involvement in either giving or taking bribes. It is not clear where the truth lies in this dispute, that will be for Courts in the US and Guinea to decide. The Steinmetz Group told us the conde regime that is corrupt. There are some things that billionaires beguiled by Guinea's riches will probably never see. It may be a small African country but Guinea is bigger than Britain and deep in the bush off road and down trail lie the alluvial gravel pits where diamonds are mined. It is dirty, sweaty and for 40p a day labourers stand waist deep in water looking for stones that make girls sparkle and tycoons rich and might for Ahmed, one day provide an escape. He says he is 18 but he's probably 15 at a push and they all say he has worked here for 7 years. "The job is hard, the way we live is hard, we don't have money all the time. Sometimes it is 10 days before you get any." It's a bit like making a career out of playing the lottery. The odds stacked against you. Denba Suwana is 50 with two wives and he says lots of children, all hoping Dember will one day strike lucky as a handful have here. He's in the right place the trouble is he has been working here for more than 30 years and he has never found one. Dember's gang has found diamonds here just not him. Soul destroying really. The pitifully poor left to scramble for stones to adorn rings and tiaras in a world beyond all imagining here. Surrounded by beauty and bounty and mountains suffed full of iron that remains beyond reach. It's a parable for all that's unfair in the world. A poverty pit but with a President who says he is determined to dig his way out.

Jonathan Miller, Channel 4 News, Guinea.

Of course, Channel 4 News contacted BSGR. The company tells us they had done nothing wrong. They say their victims have proved smears and blackmail and there is no evidence of any wrongdoings by them. They further alleged that their employees in Guinea have been illegally detained and held without charge in breach of international law. They vigorously deny any allegations made against them by the President of Guinea.

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